

## NEW HOME OWNERSHIP PROGRAM GUIDELINES – WASHINGTON HEIGHTS

The City of Greenville's Community Development Division in an effort to stabilize our "Special Emphasis Neighborhoods" seeks to maintain a balance of mixed-income families who purchase homes through our New Home Ownership Program. Our goal is to offer new homes constructed to low/moderate income families who can qualify for down-payment and closing costs assistance. Low/moderate income families are defined as those who have a total family income at or below 80% of the median family income (MFI) for Greenville County. The remaining new homes constructed will be available for market rate buyers who have total family incomes above 80% of MFI. Actual percentages may vary slightly. All properties in which HOME funds were used for development shall be sold to low/mod families. Low/moderate income families may qualify for special financing.

Guidelines to qualify for down payment and closing costs assistance:

All potential home buyers who receive down payment and closing cost assistance must have total family income at or below 80% of median family income for Greenville County, good credit, and meet underwriting guidelines. Loan payment plus escrow items may not exceed 30% of gross monthly income. The total of all debts should not exceed 42% of gross monthly income.

All potential home buyers must complete home buyer training classes from a City approved housing counseling program, and provide the Community Development & Relations Division with a copy of their Certificate of Completion.

All potential home buyers must provide \$500.00 of personal funds as earnest money which at closing will be applied to down payment.

All home buyers must join the existing Neighborhood Home Owners Association (if applicable) and be an active member by paying monthly association dues and participating in neighborhood activities.

All home buyers must certify that they have received a copy of the Neighborhood Covenants and Restrictions (if applicable) and agree to abide by them as written.

The City's maximum mortgage subsidy, taken as a soft second mortgage will be \$10,000.00. The mortgage shall be a five (5) year or ten (10) year deferred payment loan depending on the amount of subsidy provided (< \$7,500 - 5 year; ≥ \$7,500 - 10 year). Loans are forgiven at the rate of 1/60th or 1/120th per month. The subsidy provided shall be the difference between the maximum loan that the potential home buyer can afford and the sales price. Upon any transfer of the property during the five or ten year period the pro-rated portion of the loan is due and payable in full to the City of Greenville. *In no circumstance will the City's mortgage subsidy exceed what is necessary to qualify the potential home buyer for a first mortgage. The soft second mortgage cannot be used as an asset to the potential homebuyer for qualifying purposes.*

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